TULARE COUNTY ECONOMIC FORECAST

For most of the current economic cycle, Tulare County created jobs at a rapid rate. But the expected showdown in job creation has now begun, and in 2017 the county gained only 2,600 jobs. The best performing sectors were construction, healthcare, and professional business services. Job losses were observed in agriculture and manufacturing.

The Tulare County agriculture industry has struggled to expand in recent years, and since 2014, total agricultural output has declined by $2 billion, adjusted for inflation. Land has been fallowed in parts of the county, but global commodity prices have played a larger role in falling production values. Milk prices have declined by 35 percent, leading to $1 billion in lost revenue, and similar trends have been observed in the prices for chickens, oranges, pistachios, and almonds. Ultimately, this has led to layoffs in the agriculture sector for several consecutive years.

Construction activity is accelerating. Almost 1,400 homes were built in 2017, and more than $150 million was invested into non-residential structures. The vast majority of all new homes have been single-family units, with very few multifamily apartments breaking ground. Non-residential construction activity was concentrated in infrastructure projects (including a new interchange on Highway 99) and renovations to existing buildings.

The Tulare County housing market is much more affordable than some parts of the state. Across Coastal California, households often spend more than 35 percent of their income on mortgage payments and rent. But in Tulare County this figure is typically less than 25 percent, although there are a substantial number of households near the poverty line that spend much more.

Affordable housing and increasing job prospects are being observed in most of the Central Valley, making it the fastest growing region of the state. This includes Tulare County, where net migration turned positive in 2017 after years of net outflows.

The unemployment rate improved substantially last year, falling from 11.2 percent in 2016 to 10.4 percent in 2017. But it is still much higher than most parts of California. This is largely due to the county's prominent share of seasonal workers (primarily in agriculture), who are often unemployed for several months each year. Because of this dynamic, the Tulare County unemployment rate is already near its lowest sustainable level, and is not expected to improve substantially during the forecast period.

FORECAST HIGHLIGHTS

- In 2018, total wage and salary employment will increase by 1.5 percent. From 2018 to 2023, total employment will grow at an annual average rate of 1.0 percent.

- The strongest employment gains will be observed in education and healthcare, transportation and warehousing, government, and professional business services. Combined, these industries will account for 70 percent of net job creation between 2018 and 2023.

Total Wage & Salary Job Creation
2000 - 2050

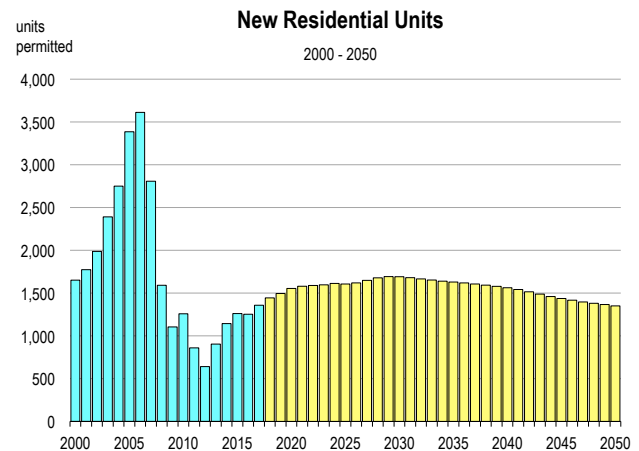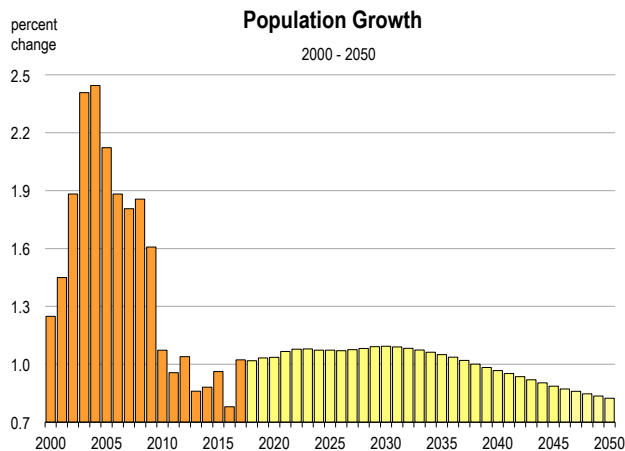**Real Per Capita Personal Income**
2000 - 2050
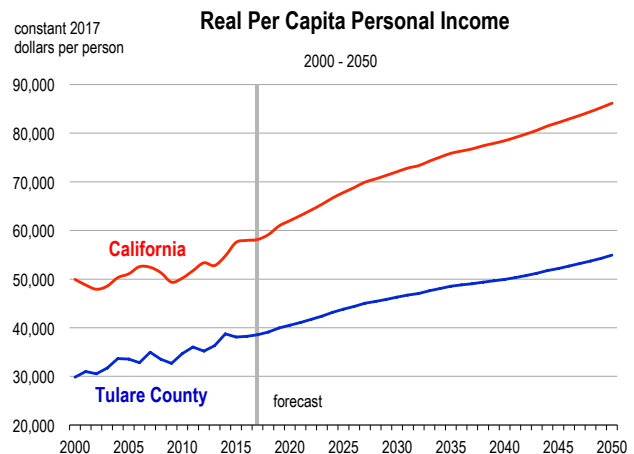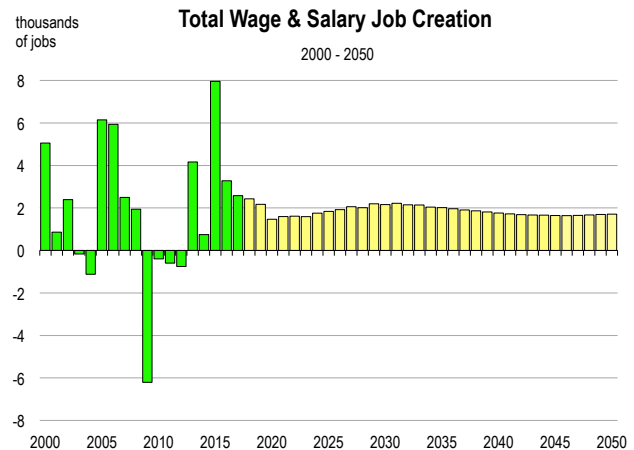
- Average salaries are currently below the California State average, and will remain so over the foreseeable future. In Tulare County, inflation-adjusted salaries are expected to rise by an average of 2.0 percent per year between 2018 and 2023, which will be similar to statewide growth.

- Housing production will accelerate over the forecast period, with an average of 1,600 units built each year through 2023.

- Because Tulare County has large amounts of buildable land, the development process will spread out into single-family communities, rather than be forced up into multifamily skyscrapers.

- The population will continue to expand quickly. Annual growth in the 2018-2023 period is expected to average 1.1 percent.

- Net migration will be modest, with an average of only 440 net migrants entering the county each year through 2023. But because Tulare County has a young population, the natural increase (new births) will add 4,700 residents to the county each year.

Tulare County Economic Forecast
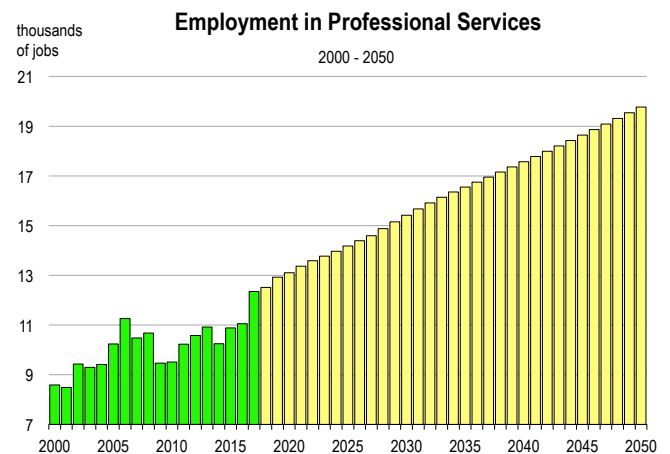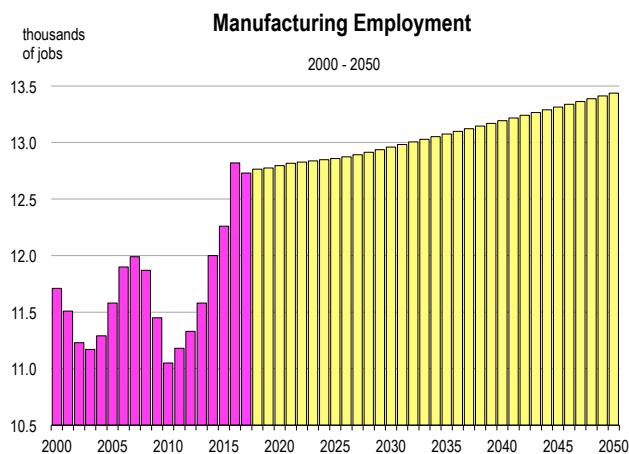## 2010-2017 History, 2018-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	443,111	-891	349	130.3	1,259	$4.5	$13.3	$34,677	1.3	5.63	3.39	17.2
2011	447,350	-1,063	347	131.0	860	$5.1	$14.3	$36,053	2.7	6.35	3.30	17.1
2012	452,000	-549	348	131.6	641	$5.5	$14.4	$35,177	2.7	6.86	3.53	16.1
2013	455,891	-1,023	360	132.0	903	$5.8	$15.2	$36,324	2.3	8.50	3.74	14.4
2014	459,910	-718	367	132.7	1,143	$6.2	$16.7	$38,738	2.8	8.64	3.97	13.1
2015	464,337	-100	377	133.7	1,261	$6.3	$16.8	$38,069	2.6	7.35	4.15	11.5
2016	467,960	-902	390	134.6	1,254	$6.7	$17.4	$38,211	3.1	6.56	4.25	11.2
2017	472,748	258	394	136.2	1,358	$7.1	$18.2	$38,540	3.2	6.50	4.28	10.4
2018	477,563	257	397	137.4	1,444	$7.4	$19.2	$39,116	3.7	6.70	4.55	9.9
2019	482,496	307	400	138.8	1,495	$7.8	$20.3	$39,930	3.1	6.80	4.58	9.6
2020	487,495	324	402	140.3	1,554	$8.1	$21.5	$40,503	4.1	6.90	4.65	9.7
2021	492,694	473	405	141.9	1,580	$8.4	$22.7	$41,088	3.6	7.00	4.79	9.8
2022	498,007	538	408	143.4	1,589	$8.8	$23.9	$41,727	3.5	7.11	4.91	9.8
2023	503,384	561	411	145.0	1,596	$9.1	$25.2	$42,400	3.4	7.21	5.04	9.9
2024	508,786	539	414	146.6	1,613	$9.5	$26.6	$43,174	3.3	7.32	5.18	10.0
2025	514,247	560	418	148.3	1,606	$9.8	$27.9	$43,839	3.1	7.43	5.30	10.0
2026	519,751	571	422	149.9	1,619	$10.2	$29.2	$44,404	3.1	7.54	5.42	10.0
2027	525,343	631	426	151.5	1,649	$10.5	$30.6	$45,044	3.0	7.66	5.54	9.9
2028	531,028	692	431	153.2	1,678	$10.9	$32.0	$45,415	3.3	7.78	5.67	9.9
2029	536,824	765	435	154.8	1,693	$11.3	$33.4	$45,852	3.1	7.90	5.79	9.8
2030	542,695	802	439	156.5	1,691	$11.6	$34.8	$46,281	3.0	8.02	5.92	9.8
2031	548,610	810	444	158.2	1,680	$12.0	$36.3	$46,736	2.9	8.14	6.04	9.7
2032	554,550	797	448	159.9	1,666	$12.5	$37.8	$47,034	3.1	8.27	6.17	9.6
2033	560,507	779	453	161.6	1,653	$12.9	$39.4	$47,590	2.7	8.40	6.31	9.6
2034	566,463	756	458	163.3	1,639	$13.3	$41.0	$48,067	2.9	8.53	6.45	9.6
2035	572,411	735	462	164.9	1,629	$13.7	$42.8	$48,527	3.0	8.67	6.59	9.5
2036	578,347	719	468	166.5	1,619	$14.2	$44.6	$48,793	3.4	8.81	6.73	9.5
2037	584,248	698	475	168.2	1,606	$14.7	$46.5	$49,032	3.5	8.95	6.88	9.5
2038	590,095	674	483	169.8	1,593	$15.2	$48.5	$49,387	3.3	9.09	7.03	9.4
2039	595,898	645	491	171.4	1,579	$15.7	$50.5	$49,651	3.5	9.24	7.18	9.4
2040	601,663	617	497	173.0	1,562	$16.2	$52.7	$49,950	3.4	9.39	7.34	9.4
2041	607,392	584	503	174.5	1,542	$16.7	$54.9	$50,329	3.2	9.55	7.50	9.4
2042	613,077	541	509	176.1	1,515	$17.1	$57.1	$50,746	3.1	9.70	7.67	9.3
2043	618,716	488	514	177.6	1,488	$17.6	$59.4	$51,200	3.0	9.86	7.84	9.3
2044	624,308	436	519	179.1	1,460	$18.1	$61.8	$51,748	2.8	10.03	8.01	9.3
2045	629,843	377	524	180.6	1,437	$18.6	$64.3	$52,189	3.0	10.19	8.19	9.3
2046	635,337	333	528	182.0	1,417	$19.1	$66.8	$52,676	2.9	10.36	8.37	9.2
2047	640,801	294	532	183.4	1,396	$19.7	$69.5	$53,179	2.9	10.54	8.56	9.2
2048	646,229	253	536	184.9	1,381	$20.2	$72.3	$53,712	2.9	10.72	8.75	9.2
2049	651,629	223	541	186.2	1,366	$20.8	$75.2	$54,294	2.9	10.90	8.94	9.2
2050	657,000	196	546	187.6	1,350	$21.3	$78.3	$54,920	2.9	11.08	9.15	9.2

Population Growth
2000 - 2050

percent change

New Residential Units
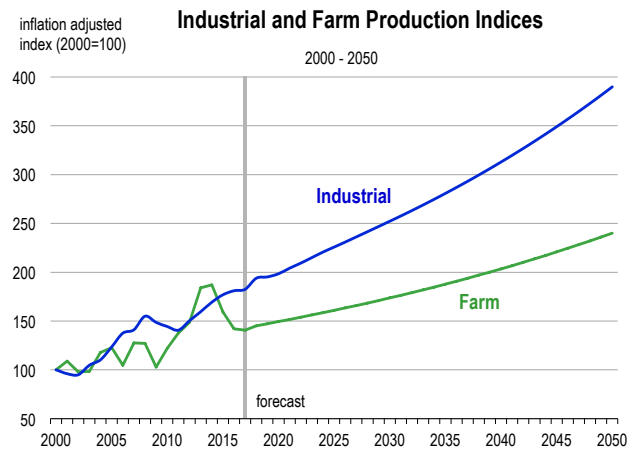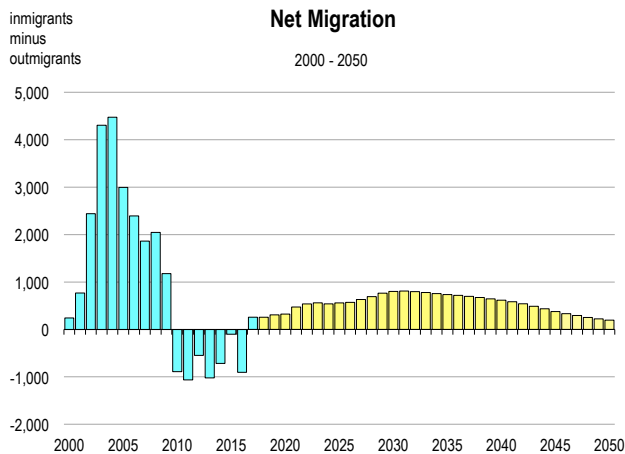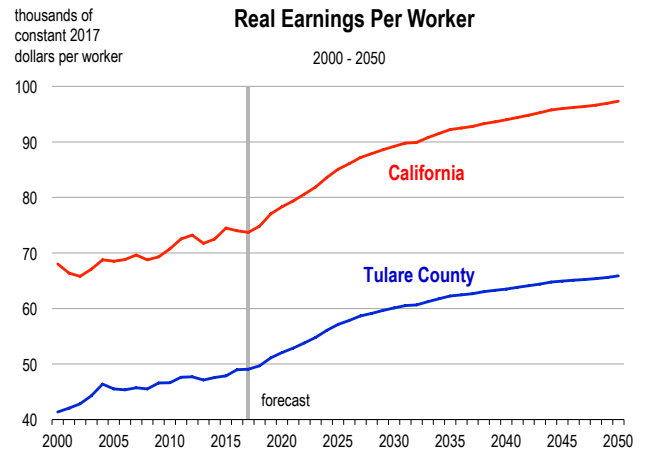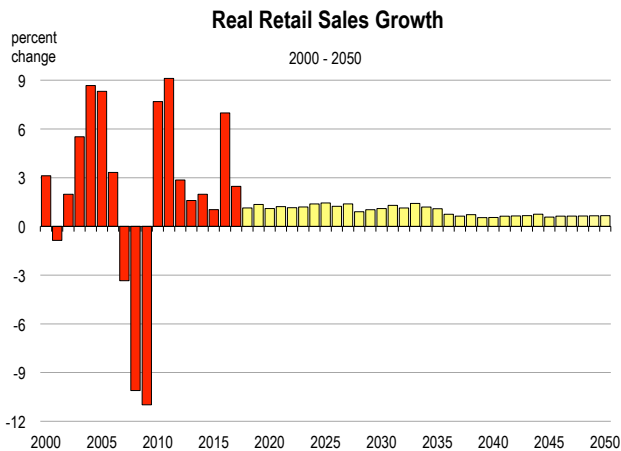2000 - 2050

units permitted

Tulare County Employment Forecast
2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
					employment (thousands of jobs)							
2010	146.1	37.7	3.9	11.1	5.1	18.4	3.8	9.5	1.1	12.5	8.9	31.0
2011	145.5	36.4	3.9	11.2	5.6	18.5	3.8	10.2	1.0	12.4	8.9	30.6
2012	144.7	33.7	4.0	11.3	6.1	19.0	3.8	10.6	0.9	12.1	9.5	30.6
2013	148.9	35.1	4.2	11.6	6.4	19.5	3.8	10.9	0.9	13.3	10.0	30.0
2014	149.6	34.9	4.5	12.0	6.4	19.6	3.9	10.3	0.9	13.7	10.6	29.5
2015	157.6	39.1	4.9	12.3	6.9	19.9	4.0	10.9	1.0	13.8	11.1	30.3
2016	160.9	38.8	5.3	12.8	6.8	20.3	4.1	11.1	1.0	14.4	11.5	31.3
2017	163.4	38.1	5.7	12.7	7.0	20.3	4.1	12.4	0.9	15.4	11.7	31.7
2018	165.9	37.9	5.9	12.8	7.5	20.6	4.1	12.5	0.9	15.7	12.1	32.3
2019	168.0	37.9	5.9	12.8	7.8	20.8	4.2	12.9	0.9	16.0	12.3	32.9
2020	169.5	37.9	6.0	12.8	8.0	20.9	4.2	13.1	0.9	16.3	12.4	33.2
2021	171.1	38.0	6.0	12.8	8.2	21.0	4.3	13.4	1.0	16.6	12.6	33.6
2022	172.7	38.1	6.0	12.8	8.3	21.2	4.3	13.6	1.0	16.8	12.9	34.0
2023	174.3	38.2	6.0	12.8	8.5	21.3	4.4	13.8	1.0	17.1	13.0	34.5
2024	176.1	38.3	6.0	12.8	8.6	21.4	4.4	14.0	1.0	17.4	13.1	35.1
2025	177.9	38.5	5.9	12.9	8.7	21.5	4.5	14.2	1.0	17.7	13.3	35.9
2026	179.8	38.6	5.9	12.9	8.9	21.6	4.5	14.4	1.0	18.1	13.4	36.6
2027	181.9	38.8	6.0	12.9	8.9	21.8	4.6	14.6	1.0	18.4	13.5	37.5
2028	183.9	39.0	6.0	12.9	9.0	21.9	4.6	14.9	1.0	18.9	13.6	38.2
2029	186.1	39.1	6.0	12.9	9.1	22.0	4.7	15.2	1.0	19.3	13.8	39.1
2030	188.3	39.3	6.0	13.0	9.1	22.1	4.7	15.4	1.0	19.8	13.9	39.9
2031	190.5	39.5	6.0	13.0	9.2	22.2	4.7	15.7	1.0	20.3	14.1	40.8
2032	192.6	39.7	6.0	13.0	9.2	22.3	4.8	15.9	1.0	20.8	14.2	41.6
2033	194.8	39.9	6.0	13.0	9.3	22.5	4.8	16.1	1.0	21.4	14.4	42.4
2034	196.8	40.1	6.0	13.1	9.3	22.6	4.9	16.4	1.0	21.9	14.5	43.1
2035	198.8	40.2	6.0	13.1	9.3	22.7	4.9	16.6	1.1	22.4	14.7	43.8
2036	200.8	40.4	6.0	13.1	9.4	22.8	5.0	16.8	1.1	22.9	14.9	44.4
2037	202.7	40.6	6.0	13.1	9.4	22.9	5.0	17.0	1.1	23.4	15.0	45.0
2038	204.5	40.8	6.0	13.1	9.5	23.0	5.0	17.2	1.1	23.9	15.2	45.6
2039	206.4	41.0	6.0	13.2	9.5	23.1	5.1	17.4	1.1	24.4	15.4	46.2
2040	208.1	41.2	5.9	13.2	9.5	23.2	5.1	17.6	1.1	24.9	15.6	46.7
2041	209.8	41.4	5.9	13.2	9.6	23.3	5.2	17.8	1.1	25.3	15.7	47.1
2042	211.5	41.6	5.9	13.2	9.6	23.4	5.2	18.0	1.1	25.8	15.9	47.6
2043	213.2	41.8	5.9	13.3	9.7	23.5	5.2	18.2	1.1	26.2	16.1	48.0
2044	214.9	42.0	5.9	13.3	9.7	23.5	5.3	18.4	1.1	26.6	16.3	48.5
2045	216.5	42.2	5.8	13.3	9.8	23.6	5.3	18.6	1.1	27.1	16.5	48.9
2046	218.1	42.5	5.8	13.3	9.8	23.7	5.4	18.9	1.1	27.5	16.7	49.3
2047	219.8	42.7	5.8	13.4	9.8	23.8	5.4	19.1	1.1	27.9	16.9	49.7
2048	221.5	42.9	5.8	13.4	9.9	23.9	5.4	19.3	1.1	28.3	17.1	50.1
2049	223.2	43.1	5.8	13.4	9.9	24.0	5.5	19.5	1.1	28.7	17.3	50.5
2050	224.9	43.3	5.8	13.4	10.0	24.1	5.5	19.8	1.1	29.1	17.6	51.0

Manufacturing Employment
2000 - 2050

Employment in Professional Services
2000 - 2050

215

Real Retail Sales Growth

2000 - 2050

percent change

Real Earnings Per Worker

2000 - 2050

thousands of constant 2017 dollars per worker

Net Migration

2000 - 2050

inmigrants minus outmigrants

Industrial and Farm Production Indices

2000 - 2050

inflation adjusted index (2000=100)

County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	6.2%
Expected job growth:	5.1%
Fastest growing jobs sector:	Transportation & Utilities
Expected personal income growth:	14.3%

Expected population growth:	5.4%
Net migration to account for:	8.5%
Expected growth in number of vehicles:	3.5%

Demographics (2018)

Unemployment rate (April 2018):	9.9%
County rank* in California (58 counties):	56th
Working age (16-64) population:	61.4%

Population with B.A. or higher:	13.7%
Median home selling price (2017):	$215,000
Median household income:	$46,443

Quality of Life

Violent crime rate (2016):	337 per 100,000 persons
County rank* in California (58 counties):	23rd
Average commute time to work (2018):	26 minutes

High school drop out rate (2017):	8.1%
Households at/below poverty line (2018):	23.7%

* The county ranked 1st corresponds to the lowest rate in California